



## UPSTATE CALIFORNIA

# REGIONAL ECONOMIC RECOVERY WORK PLAN (ZONE 1)

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June 2009

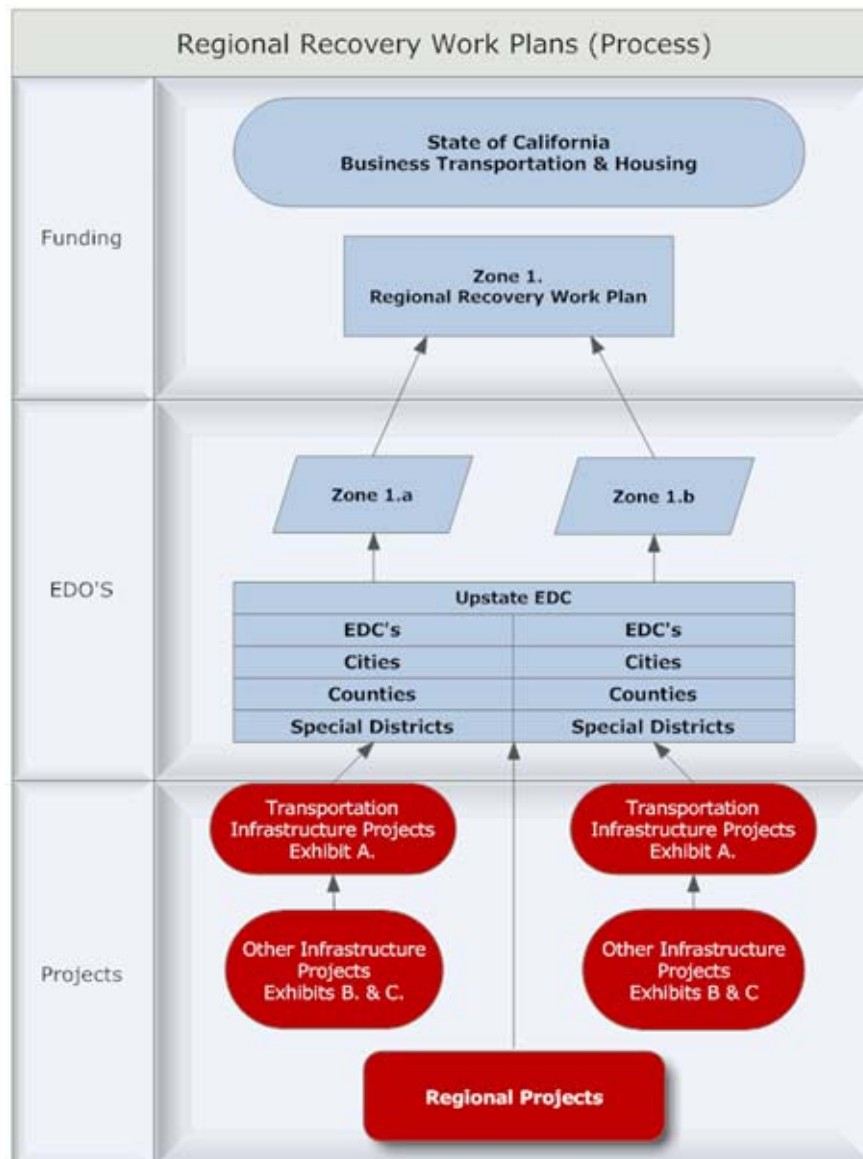
*"Today does not mark the end of our economic troubles. Nor does it constitute all of what we must do to turn our economy around. But it does mark the beginning of the end - the beginning of what we need to do to create jobs for Americans scrambling in the wake of layoffs; to provide relief for families worried they won't be able to pay next month's bills; and to set our economy on a firmer foundation, paving the way to long-term growth and prosperity".*

-President Barack Obama, 2/17/09, Denver, CO

This plan is intended to help identify and seize opportunities for economic recovery and sustainable growth. Furthermore, we understand that it is not mandatory, but that we have participated in this process to partner with the State of California in an effort to maximize the impact of federal stimulus and other limited resources. Regional stakeholders are encouraged to develop a Regional Economic Recovery Work Plan (Plan) that supports economic recovery by, at a minimum:

- leveraging resources
- expediting infrastructure delivery
- supporting the growth of business and innovation
- developing the California workforce, and where possible
- enhancing environmental quality

In order to rebuild our weakening economy, Upstate California supports investments in our physical and cyber infrastructure that will put our communities immediately to work rebuilding our crumbling roads and bridges, and will also enable the creation of a stronger and more efficient infrastructure for the 21st century economy.



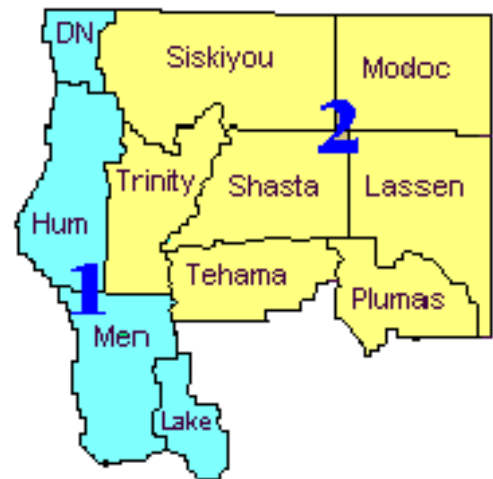
## I. INTRODUCTION

While California's economy is experiencing the current economic slowdown better than many other states, we are not immune to the difficult times our nation is facing. Consequently, Upstate California Region will step-up our efforts to grow our existing industry and recruit new businesses to the region. The Upstate California Economic Recovery Plan will spur new job creation to put our hardworking citizens back to work, and will make the region more competitive in the pursuit of the high-paying jobs of the future.

The Upstate California Region in Northern California encompasses two sub regions: Caltrans Districts 1 and 2. The following is a summary of each county participating in this plan.

### Sub Region 1.a (CalTrans District 1)

- **Del Norte County:** The northernmost coastal county in California, Del Norte is bordered on the west by 37 miles of Pacific Ocean coastline. In 2007, California's Department of Finance estimated Del Norte's population at a little more than 29,300 residents, reflecting an increase of 1.1 percent over 2006 estimates. By the year 2020, the county's projected population could total almost 36,100 persons.
- **Humboldt County:** The largest and most populous of the north coast counties Humboldt County's 3,600 square miles are known for their rural beauty, roughly 80 percent of which is designated recreation areas and timber land. The Department of Finance estimates the county's 2007 population to be 132,000 persons; by the year 2020, Humboldt is projected to grow to almost 142,200 residents.
- **Mendocino County:** Mendocino's 3,510 square miles encompass a variety of landscapes, including a coastal mountain range, redwood forests, and miles of northern California beaches. Tourism is the primary industry in the county. In 2007, the population in Mendocino County totaled almost 90,300 persons. By the year 2020, the county is projected to exceed 102,000 residents.
- **Lake County:** Lake County's economy is based largely on tourism and recreation, due to the accessibility and popularity of its many recreational areas, including Clear Lake, the largest natural freshwater lake in California. Lake County is home to numerous other lakes, such as Blue Lakes, Lake Pillsbury, and the Indian Valley Reservoir. In 2007, California's Department of Finance estimated Lake's population at more than 64,200 persons. By the year 2020, the county is projected to be home to almost 78,000 residents.



### Sub Region 1.b (CalTrans District 2)

- **Siskiyou County:** Siskiyou County covers 6,318 square miles. Although one of the largest counties in the state, more than sixty percent of the land is managed by federal and state government agencies.

Siskiyou is also home to Mount Shasta, the southernmost volcano in the Cascade range, ascending to over 14,000 feet. California's Department of Finance estimates the county's 2007 population at 45,900 and, through the year 2020, projects Siskiyou's residency will be approximately 51,300 persons.

- **Modoc County:** Modoc County's 4,340 square miles are often considered the last frontier in the state—unspoiled, unpolluted, and uncrowded. Approximately 90 percent of Modoc consists of national forest, wilderness preserve, wildlife refuges, and state and federal lands. In 2007, Modoc's population was estimated at more than 9,700 residents. Through the year 2020, the California Department of Finance projects the county's population may grow to 13,100 residents.
- **Trinity County:** Trinity County is located in the mountains of northwest California. The county encompasses 3,223 square miles of alpine forests and is home to Trinity Lake, the third-largest reservoir in California. According to 2007 estimates, Trinity's current population is 14,100; population projections indicate that the estimated number of residents is more than 18,200 for 2020.
- **Shasta County:** Shasta County's 3,850 square miles include a variety of terrain, ranging from farmland along the county's southern border to mountain ranges in the eastern, northern and western regions. The varied landscape provides numerous recreational areas and also supports an active agricultural community. According to the California Department of Finance's 2007 estimates, Shasta County's population numbers 181,400, and by the year 2020, population is projected to reach almost 224,400.
- **Lassen County:** Primarily a mountainous region, Lassen County is located on the eastern slopes of the Sierra Nevada Mountains. Within its 4,690 square miles, Lassen enjoys a multitude of natural attractions, including Lassen National Forest and Lassen Volcanic National Park, the site of an active volcano. In 2007, California's Department of Finance estimated Lassen's population at more than 36,300 persons; by the year 2020, the county is projected to grow to almost 42,400 residents.
- **Tehama County:** Tehama County's 2,976 square miles are surrounded by several snow-covered mountains, including Mount Shasta, Mount Lassen, and the Trinity Mountain Range. The county's estimated 2006 population of 61,700 residents is an increase of 1.3 percent from the previous year. By the year 2020, it is projected that Tehama County will be home to close to 79,500 persons.
- **Plumas County:** Plumas County is located in northeastern California. Covering 2,618 square miles, Plumas is home to more than 100 lakes, 1,000 miles of rivers and streams, and 1 million acres of national forest. California's Department of Finance estimates the county's 2007 population at 21,100 and, by the year 2020, projects Plumas' residency will reach almost 23,000 persons

## II. INFRASTRUCTURE

### A. Allocation of Federal Stimulus Funds for Transportation

The responsibility of allocating federal stimulus funds for transportation is the responsibility of each of the local jurisdictions including local Public work agencies, Planning Departments, and Regional Transportation Plans. Upstate California Economic Development Council does not play a direct role in this process other than to support member EDC's with issues or initiatives that affect the region as a whole.

1. Criteria Methods to Select Projects: Counties included in this plan will use Regional Transportation plans to identify and/or select projects. Regional Transportation Plans are prepared in compliance with state (California Government Code Sections 65080 et seq.) and federal (U.S. Code Title 23, Section 134 and 135 et seq) regulations governing regional and metropolitan planning and programming and has a 20-year plan horizon. Each plan contains discussions on regional transportation issues, problems and solutions, and includes goals and objectives for each transportation mode and area of concern. State and local discretionary funding received from competitive grants will be prioritized by each of the local jurisdiction's capital improvements plans or through a process agreed upon by each unit of local government.
2. Needs and opportunities: These will be addressed by each of the units of local government. The region's role will be to identify opportunities such as grants, legislation, or stimulus programs and disseminate information through email blasts, regional conferences, and/or coordination of informational meetings.
3. Strategies to Overcome Barriers: The region and its participants will work with state and federal agencies to identify methods for streamlining procurement procedures by suggesting improvements and working with state and federal agencies.
4. Transparency and Accountability Standards: We strongly advocate that the state establish a web accessible data base Titled – "State of California Economic Recovery Projects" to provide public access and transparency. Each of the projects receiving stimulus funds could be posted to the database including; applications, budgets and reports. The Data Base would be housed and administered by the Office of Planning and Research. The Office of Planning and Research (OPR) State Clearing House currently has an online searchable environmental database of the State Clearinghouse called CEQAnet. It contains key information from all California Environmental Quality Act (CEQA) documents submitted to the State Clearinghouse for state review since 1990.

### B. Allocation of Stimulus Funds for other Infrastructure

Upstate California Economic Development Council (author of this plan) does not represent, imply or otherwise state that they are the regional entity responsible for the allocation of stimulus funding. Counties, cities, and EDO's participating in this work plan are part of a vast network including:

- planning agencies
- local, regional, state and federal districts
- special districts

Designated to plan and implement infrastructure projects; this network includes regional economic development programs like US Department of Commerce Economic Development Districts, USDA Resource Conservation Districts, and three California Enterprise Zones. Allocation of stimulus funding is the responsibility of each local agency and/or organization. Consequently, infrastructure projects included in this work plan are not ranked or prioritized by the participants.

1. **Criteria Methods to Select Projects:** The region has circulated a worksheet to Economic Development Organizations, cities, and counties to request economic development projects. The attached form Exhibit A, B, and C are a comprehensive list of leading job generating projects that will leverage immediate job growth (within 12 months), economic stewardship (green infrastructure) and long-term regional economic benefits. Exhibit A focuses on Transportation Projects. Exhibit B lists shovel-ready Infrastructure Projects. Exhibit C contains projects that are Potential Shovel-Ready within two years.
2. **Needs and Opportunities:** These will be addressed by each participating agency, city and or jurisdiction. It will be their responsibility to prepare grant applications and seek support from the Department of Business, Transportation, and Housing (BTH) upon submittal.
3. **Strategies to Overcome Barriers:** The region and its participants will work with state and federal agencies to identify methods for streamlining procurement procedures by suggestion improvements and working with state and federal agencies.

**3.1 CDBG Streamlining and improvements for Procurement:** In a meeting in December of 2008 (letter to Director Lynne Jacobs) and a letter in January of 2009, Upstate California Economic Development Council (UCEDC) volunteered to work with HCD on the several items to streamline CDBG funding including: Create innovative funding solutions with local community banks to extend credit to Upstate businesses for expansion or who are at risk and must be retained in the region; Work with HCD to identify policy or legislative changes that need to take place to implement the program; Investigate new ways to cut bureaucratic red tape by like using “Urgent Need” as the “National Objective” to satisfy program requirements; Eliminate duplication of local and state efforts with regards to underwriting requirements of the grant guidelines and loan fund.

**3.2 Request Department of Industrial Relations Establish a New Prevailing Wage Rate for the Upstate California Region:** The Davis-Bacon Act and California SB 975 require that projects benefiting from public funds pay prevailing wages for construction or improvements. Public funds includes contributions to construction projects by California state or local agencies including waivers, reductions or payments of fees, costs, rents, insurance or bond premiums; discounts on interest rates or loan terms; and transfers of property for less than fair market value. Prevailing wages are hourly work rates published by the California Department of Industrial Relations (DIR) as the minimum wage rates payable to construction workers on public works. Studies indicate that applying the Bay Area prevailing wage requirements can escalate costs by as much as 35% to 55% in Merced County. It has been suggested that SB 975 has reduced construction employment in the region as projects are dropped or investors take their projects to states with lower costs. Upstate California communities are seeking relief from the economic penalties incurred due to the provision of the Davis–Bacon Act and SB 975. Public works projects, including private investment that benefits from public assistance, are required

to pay San Francisco/Bay Area rates for prevailing wages despite the fact that the differential Central Valley costs and wage base is significantly lower.

### C. Infrastructure Potentially Shovel-Ready within Two Years

The attached list of projects (Exhibit C. sorted by county) compiled by the Upstate California Region are “shovel-ready” within a short period of time for consideration for federal economic stimulus funding. These public infrastructure projects are critical to continuing to move the Upstate California Region forward, by focusing on each county’s priority projects. Many of the projects contained are ready, and others can be readied for construction within a short period of time, i.e., 90 days, 120 days, 6 months, 12 months, and 18 months.

## III. SUPPORT FOR HOUSING AND COMMUNICATIONS

**Housing:** The Upstate Region has strong participation from the community development housing industry. Be it workforce housing, special needs housing, senior housing or any combination. The need for affordable housing is always be present and affordable housing will be especially important as part of the regions recovery. The Region will work together to coordinate stimulus funding for community infrastructure and programs that support affordable housing by targeting CDBG, USDA, and other public/private investment to the needs of the region.

**Broad Band:** The region does have significant gaps in broad band deployment. In general, providers have not built out to certain rural areas because it is very costly to invest in the infrastructure when the demand and adoption rates are low as compared to the return on investment in the urban and suburban areas. From a policy perspective the Upstate California Region , in partnership with local communities and the private sector, will need to find innovative ways to use these funds for increasing adoption; enhancing education and training programs; and piloting applications that may yield high rates of adoption. There are many different options that range from increasing the number of public computing centers to subsidizing the cost of providing broadband to the home environment. These are the kinds of issues that each individual community in the region will need to address. Upstate California Economic Development Council will support grant funding to help communities:

- Acquire equipment, infrastructure, networking capability, hardware and software, digital network technology, and infrastructure for broadband services;
- Construct and deploy broadband service related infrastructure;
- Ensure access to broadband service by community anchor institutions;
- Facilitate access to broadband service by low-income, unemployed, and other vulnerable populations;
- And construct and deploy broadband facilities that improve public safety broadband communication services.



#### IV. SITE CERTIFICATION PROGRAM

Upstate California Communities know firsthand the demand for a formal certified sites program. Companies are not willing to wait for a community to find an appropriate site and determine its suitability for development. That due diligence needs to be done before a prospect comes calling. Unfortunately, there is no single definition of a shovel-ready site. For every program that exists, there are probably just as many different definitions. And, of course, there are varying degrees of “readiness.” In addition, what one industry may require in a site might not be relevant for another industry.

- Generally speaking the Upstate California Region is working on a process to identify shovel-ready sites. Each should have all of the characteristics described below.
- Available – Listed by a real estate firm
- Fully Served – all major infrastructure is available at the site
- Developable - all necessary due diligence (i.e., environmental assessments, wetlands delineations, etc.)

**Third-party assessment and verification.** The region is presently discussing ways for site evaluation to be independently verified. It is expected that the certified site program will be part of a regional or state effort that includes hiring a third party (a site location or engineering firm), providing a level of assurance that the site information submitted is evaluated and an expert's opinion has been rendered on the site.

#### V. SUPPORT FOR SMALL BUSINESS INOVATION

The Upstate California Region has a strong network of Small Business Development Centers (SBDC) led by CSU Chico's Center for Economic Development. The Northeastern California Small Business Development Center (SBDC) program assists entrepreneurs and small businesses through consulting/business counseling, training and business information. Four targets of opportunity (industry clusters) are the focus of the regions efforts to encourage invoation including:

- Information Technology,
- Agribusiness/Agritech,
- Advanced Manufacturing
- Small business /Entrepreneurs.

These four show the most promising for business growth, development, and inovation in the region, leading to the ultimate goal of enhanced employment opportunities. Small business support and innovation are addressed in three key areas:

- Public/Private Partnerships: provide direct support to entrepreneurs and small businesses by developing and delivering a Business Services program (Core Services program), more general support, encouragement, and development of entrepreneurs through Regional Support Programs, and the financing of innovative “fast growth” entrepreneurs through the development of an Angel Investment



Network.

- **Infrastructure Expansion:** addresses the area's strengths and weaknesses for transportation, communication, etc., as well as "soft" infrastructure needs/projects (includes industry analysis, market development and advisory services).
- **Talent Development:** component is designed to meet the needs of Entrepreneurs, the Workforce, and the Professional Service Delivery staff by providing on-time, on demand training, education, and information.

The Region makes the following suggestions to support additional development of small businesses and innovation.

1. Create revolving loan funds not restricted to benefit low-income target populations.
2. Fund the establishment of a business mentor/liaison position to shepherd development projects through the county approved processes.
3. Suspend limitations on matching state and federal dollars.
4. Leverage another \$500,000 in state or federal stimulus funding.
5. Reduce oversight micro-management approval requirements to ensure only that deliverables are met.
6. Create opportunities in the renewable energy industry.
7. Create programs to replace/upgrade public and private water meters to encourage water conservation.
8. Fund facility upgrades to use of green technologies, such as heating, air conditioning, solar wind power, efficient lighting, and fleet vehicles.
9. Keep existing water impoundments available and active. Retain existing hydro power facilities, fund fish ladders for existing dams.
10. Fund feasibility studies for renewable energy plants.

## VI. WORKFORCE DEVELOPMENT

The region is served by many workforce development services including local non-profits, government, educational institutions, and community based organizations involved in training, education, economic development, welfare, and employment. California Workforce Investment Boards are private sector-led boards focused on strategic solutions to workforce issues in their regions. WIA funds "One-Stop" Centers located throughout each county in the region. One-Stop centers use varied strategies in providing the appropriate services to meet the needs of their customers:

- **Core Services** are available and include, in part, labor market information, initial assessment of skill levels, and job search and placement assistance.
- **Intensive Services** are available to eligible unemployed individuals who have completed at least one core service, but have not been able to obtain employment, or employed individuals needing additional services to obtain or keep employment that will lead to personal self-sufficiency.

- **Training Services** are available to eligible individuals who have met the requirements for intensive services and have not been able to obtain or keep employment. Individual Training Accounts are established to finance training based upon the individual's choice of selected training programs.

## VII. ADDITIONAL INFORMATION

The Regional Recovery Work Plan is still developing as there is more definition provided by the State and Feds; to be effective the Plan needs to be updated as those occur.

### **Projects for Sub Region 1.A (CalTrans District 1)**

- **Del Norte County**
- **Humboldt County**
- **Mendocino County**
- **Lake County**

### **Projects for Sub Region 1.B (CalTrans District 2)**

- **Siskiyou County**
- **Modoc County**
- **Shasta County**
- **Lassen County**
- **Tehama County**
- **Plumas County**
- **Trinity County**

Questionnaires